



New York City's Communicare Concept

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New York City Mayor David N. Dinkins took office in January 1990 in the midst of an unprecedented series of public health crises besetting New York's communities, besieging its emergency rooms, and filling its hospital beds to overflowing.

Roots of the crisis stemmed from two directions—alarming epidemics, including HIV illness, tuberculosis, infant mortality, measles, substance abuse, mental illness, and violence in New York's low-income communities, combined with the historic lack of any primary and preventive care infrastructure with the capacity to prevent illness effectively.

In late 1991, the Mayor asked me to consider being Deputy Mayor for Health and Human Services and developing an infrastructure of community-based primary care centers in underserved neighborhoods that would provide high-quality managed care and reduce reliance on overcrowded emergency rooms and expensive inpatient services. This concept was to become known as Communicare.

My own interest in primary care had developed in 1978 when, as head of the New York Regional office for the United States Department of Health, Education, and Welfare, I became involved in promoting Health Maintenance Organizations at the request of Secretary Joseph A. Califano. At about the same time, Congressman Charles Rangel asked the Secretary to develop a special initiative to address the alarming health status indicators in his district. I was asked to develop a "Harlem Health Plan," which

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subsequently led to the creation of five community health centers that have since become the Renaissance Health Care Network.

Later, as Commissioner of the New York State Department of Social Services, I spearheaded the development of several pieces of legislation aimed at improving access to health care in underserved communities. Medicaid reform legislation adopted in 1984 enabled community health centers to provide managed care to Medicaid recipients in poor neighborhoods by waiving certain state requirements. In 1989, we introduced legislation authorizing a mandatory enrollment Medicaid managed care demonstration project in Southwest Brooklyn.

More recently, in June 1991, we introduced legislation in the New York State Legislature, which adopted managed care enrollment goals for Medicaid recipients in an attempt to address the problems of the fragmented, inappropriate care received by Medicaid patients and the rapidly rising costs. It was clear, however, that the lack of a primary care infrastructure in low-income communities would pose a serious obstacle to implementing this program, because use of primary care case management lies at its core.

Therefore, in his State of the City address in January 1992 Mayor Dinkins formally announced the establishment of Communicare, describing it as "an innovative program that will change the very nature of health care in this City."

The Context

Currently, New York City simply does not have enough primary care providers to meet the needs of its residents. In low-income neighborhoods, the ratio of primary care practitioners to residents falls far below the national average of 1 to 2,100. As a result, poor people cannot get regular check-ups and instead receive medical care that is sporadic, inappropriate, and costly. In fact, emergency rooms have become the only source of medical care for too many people. Medical problems that could have been addressed easily, become serious individual and public health concerns.

Nearly two million New Yorkers live in "Health Crisis Zones," communities such as Central Harlem, Morrisania, Fort Greene,

East Jamaica, and 11 others marked by New York City's Health Systems Agency for their high morbidity and mortality, excessive hospital usage, and lack of primary care resources.

"Excess" deaths have soared in New York City: some 14,800 New Yorkers died between 1985 and 1988 who would have been alive today if death rates in New York City were similar to the national rates. Most of these deaths occurred among persons aged 25 to 44 years, leaving a path of destruction that cut through both family and community.

Nearly one million poor, uninsured New Yorkers avoid seeking routine health care that they cannot afford. Meanwhile the 1.6 million New Yorkers covered by the Medicaid program are increasingly forced to rely on fragmented outpatient clinics and overcrowded emergency rooms due to the lack of community-based primary care practitioners.

Low-income New Yorkers use hospital outpatient departments two to four times more frequently than do more affluent individuals. As many as 50% of emergency room visits at New York City's Health and Hospitals Corporation facilities are for conditions that could have been prevented or treated earlier and more cost-effectively through primary care. Further, the use of emergency rooms for primary care diminishes access for those patients requiring urgent care.

Communicare I

The first phase of Communicare will expand community-based primary care in 13 of New York City's neediest neighborhoods through 20 projects, sponsored by either the New York City Department of Health (NYCDOH) or the New York City Health and Hospitals Corporation (HHC), that will be opened over 2 years. The program focuses on building the primary care resources needed to improve health status, assure access to appropriate health services, and rationalize use of the health system.

To make this possible, the city invested \$48 million of its own scant resources in the program, including \$21 million in capital improvements and \$27 million annually in new operating expendi-

tures. Communicare projects will place 70 new primary care physicians and 48 nurses into the communities served. The projects will have the capacity to care for 65,000 additional New Yorkers and will produce some 264,000 new visits per year.

Communicare projects are located in communities with the highest health care need, are community-based, offer family-oriented, comprehensive primary care, and participate in the Medicaid Managed Care Program. Communicare projects accept all patients, regardless of coverage, as the HHC and NYCDOH have done historically.

The Communicare program requires compliance with a model of primary care embraced by the New York State Department of Health in its Medicaid Managed Care and primary care programs. Patients must be assigned their own, personal primary care provider who is responsible for assuring continuity, making specialty referrals, and managing the patient's total care. Physicians must be board-certified in a primary care specialty (family practice, internal medicine, or pediatrics), or certified within 5 years if board-eligible. They must have hospital admitting privileges and offer 24-hour telephone on-call service and extended hours, either in the evenings or on weekends.

Because service delivery at the NYCDOH and HHC differs, implementation of the Communicare program also differs. Historically the NYCDOH has provided traditional public health services; screening, immunizations, well-child care, and limited acute care is offered to children through age 12 years in both small, single-purpose sites and as part of larger District Health Centers offering many other public health services. These sites are generally old, many having been built before World War II, and are in poor physical condition. During the last several years, the NYCDOH has begun upgrading and converting these child health clinics to provide comprehensive primary care centers for children. Altogether, the NYCDOH will develop seven Communicare centers.

HHC operates six major community health centers and a network of smaller sites that, unlike those of the NYCDOH, already offer comprehensive primary care. These sites are relatively new

and in reasonably good physical condition. HHC adopted a strategy of maximizing capacity within its existing sites by adding evening and weekend sessions and additional primary care teams where space permitted. Renovations are planned where necessary, but generally will be less extensive than those at NYCDOH facilities. Several new HHC sites already in advanced stages of planning were included in the plan, bringing the total of HHC Communicare projects to 13.

In undertaking the Communicare program, the city made a commitment to upgrade noncompetitive salaries at HHC and NYCDOH, both of which had experienced serious recruiting difficulties. Physician salaries have averaged between \$65,000 and \$75,000 per year at the HHC and NYCDOH. A new job description reflecting the more comprehensive role and responsibilities of physicians under the Communicare model of care was developed, and the average salary increased to \$100,000 which is fully competitive for primary care physicians in New York City.

The program has been received with enthusiasm by the press, elected officials, and community leaders, whose chief concern has been the inability of the program to cover all communities with primary care needs. To date program implementation is on schedule and on budget. HHC already has completed service expansion at 10 of its 13 projects. Because the conversion of child health clinics requires more extensive effort and total renovation, two NYCDOH Communicare projects are already providing services and the rest are scheduled to open later in the 2-year cycle.

Communicare II

The Communicare I program demonstrated our commitment to addressing the health care needs of the city's underserved areas and to reshaping the city government's health care delivery system. It showed that the city's bureaucracy could be moved quickly, concretely, and effectively in the face of urgent need. And although the program has substantial, significant impact, its scope pales beside the overwhelming magnitude of need for primary care in New York's underserved communities.

The Communicare program I originally envisioned was to encompass not only directly funded and publicly sponsored primary care expansion, but also a public-private partnership that would encourage the involvement of voluntary health care providers. The latter effort clearly required a different, more innovative design, and came to constitute the second phase of the Communicare program.

This year, in his 1993 State of the City address, Mayor Dinkins announced Communicare II, an effort relying on a series of partnerships with the state, voluntary sector providers, and private foundations, and using the city's resources to leverage far greater primary care expansion than it could possibly achieve via direct investment in expanded services.

Through Communicare II, the city will make resources available for the planning, development, and capital financing of some 30 new or expanded primary care centers that will be operated by both public and voluntary sponsors. The program thus overcomes one of the major historic obstacles to primary care expansion: lack of access to capital financing.

These centers will offer more than one million additional visits per year and will have the capacity to care for nearly 300,000 additional New Yorkers. The Communicare II program will provide the single largest infusion of primary care capacity since the original Community Health Center program was enacted by the federal government in the 1960s. The city will accomplish this through two measures.

First, the City will use its own credit to make available to primary care sponsors \$250 million in long-term, low-interest, tax-exempt bonds sold by New York State's Medical Care Facilities Finance Agency to cover construction costs. Without credit support such as that offered by the city, primary care providers, unlike hospitals, are too small and too financially fragile to be considered creditworthy and usually do not have access to the long-term bond market. No other source of long-term, low-interest capital financing is available to such providers.

Second, the city will place \$17 million in a revolving fund to

cover the costs of planning and developing new projects. Without such funding, potential sponsors would be limited to those few who are organized and affluent enough to absorb the considerable upfront costs of planning, site acquisition, design, architecture, financial feasibility, and regulatory approval. These costs will be included when bonds are sold to finance a primary care project, and the funds raised will then be returned to the revolving fund to assist additional projects. The city was able to make the \$17 million available without new appropriation by utilizing capital funding from the later Communicare I projects and replacing it through this bond financing program.

Communicare II will be administered by an independent, non-profit organization, the Primary Care Development Corporation (PCDC). The PCDC is governed by a board of directors selected from prominent representatives of the private and business sectors, the public sector, health care providers, and community and advocacy forces. Although accountable to the city, the organization is independent of city government, so that private sponsors are not subject to burdensome and expensive city construction, procurement, contracting, and personnel requirements that would make projects unfeasible.

The PCDC will work with the New York State Department of Health on a case-by-case basis to assure that, after construction, new primary care centers are financially viable and can repay their debt by being included in special state programs providing enhanced Medicaid reimbursement rates and funding for the uninsured. If these enhancement programs are expanded when the New York state hospital reimbursement legislation is renewed, as many advocates hope, the process of ensuring the viability of primary care centers will be greatly facilitated.

In addition to its planning, development, and financing functions, the PCDC will be able to add a series of programs to support and strengthen the subsequent operations of Communicare II-sponsored facilities, including financial and management consulting, assistance in recruiting and retaining primary care professionals, and programmatic expertise. An important evaluation component will

also be included to examine the impact of different service delivery and program models. The PCDC will offer structured support in the form of financing and technical assistance to qualified sponsors from the point of conception to the successful operation of new primary care centers.

The PCDC Board of Directors has been formed, the organization has been incorporated, staff is being identified, private start-up funds are being raised, and cooperative agreements with the city, state, and other important allied organizations are being codified. The criteria and process for project selection are currently being developed, once fully operational, the PCDC will be self-funding from revenues produced by bond financing.

Discussion

The Communicare II program showcases a new, innovative, and cost-effective role for city government in achieving an important social goal. It reflects bold political leadership and effective stewardship of city resources, utilizing them to leverage far greater commitments from voluntary providers, the state and federal governments, the financial community, and private foundations, rather than continuing to channel funds into one-time investments in the direct delivery of services. The program has been enthusiastically received, partly because of growing and widespread recognition of the importance and urgency of primary care, but also due to the lack of significant action at the state and federal levels.

If the nation's health care system is to achieve universal access and offer cost-effective care, the primary care infrastructure in all our urban and rural areas will need to be thoroughly rebuilt. New York City's Communicare program offers a replicable model for other cities, states, and even for the federal government, of how to extend primary care resources and develop new service capacity. Debate on national health care reform usually focuses on health insurance or financing, but no plan for reform can succeed without an infrastructure of sufficient, accessible primary care providers and initial capital financing.

Communicare is built on the premise that New York City must

dramatically strengthen its primary care resources to improve the health status of residents and reap the benefits of broader reform. For the people of New York City, Communicare brings a greatly needed influx of community-based comprehensive primary care centers. It means that more people will have a doctor who knows their name, who knows their medical history, and whom they can call if a child gets sick during the night. This is the sort of care we all deserve.